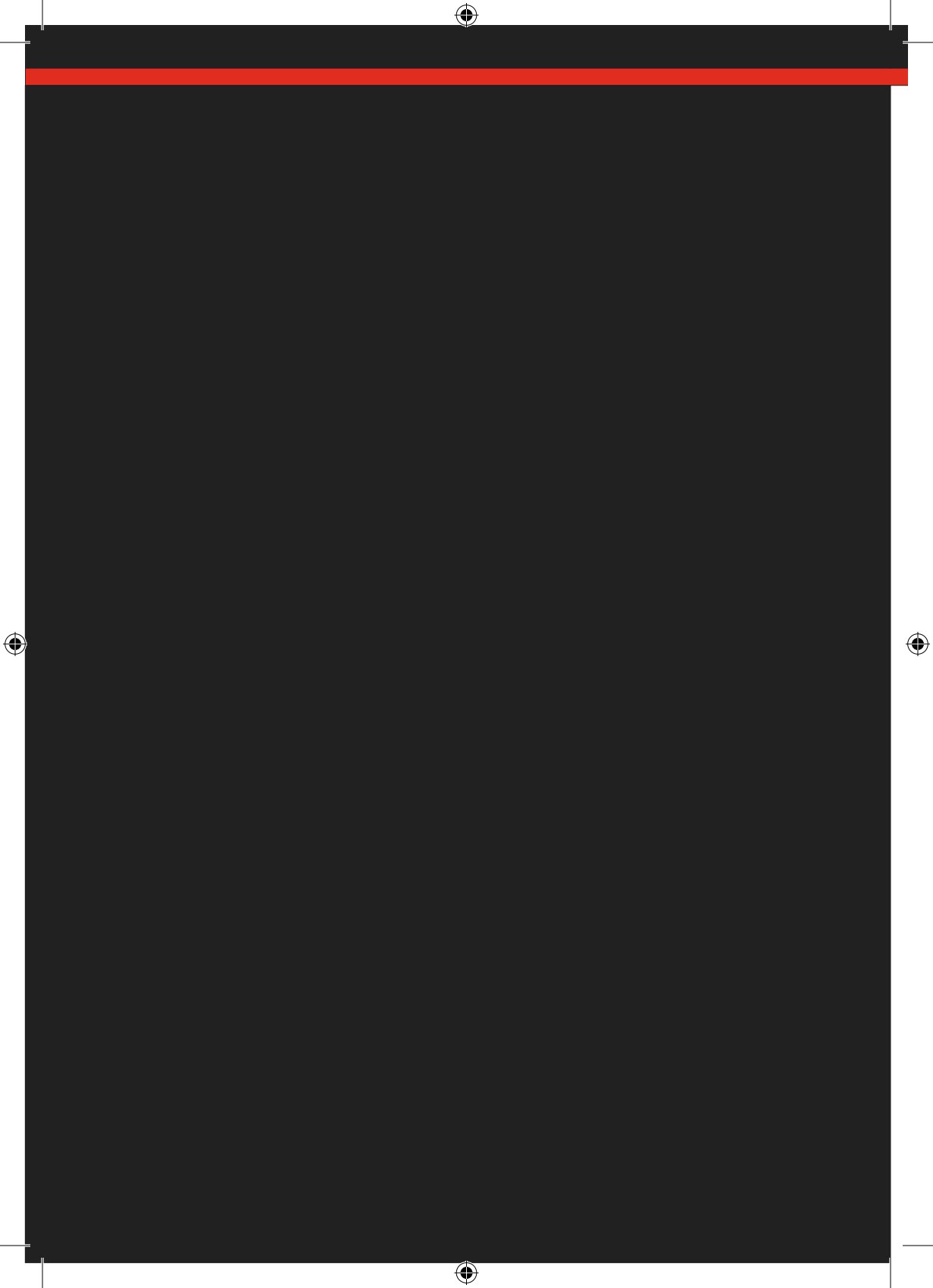




crimson tide plc

interim report

2009



INTERIM HIGHLIGHTS 2009

- * EBITDA profit for the first time since flotation, exactly on schedule
- * Costs reduced as we controlled expenses firmly
- * Turnover Decreased as we switched focus to business which was cash-conservative and Ireland experienced serious economic downturn
- * Margins Increased as we managed our portfolio of services
- * Very good performance in the UK, more than compensating for the severe downturn in the Irish economy
- * Pipeline of opportunities continues to grow with new sales channels

Note to Warrantholders


Shareholders with warrants issued in 2006 should be aware that the expiry dates for these warrants are August 19, 2009 and August 21, 2009 ("Expiry Dates"). These warrants give the holder the option to subscribe for Ordinary Shares in the Company at 1.5p per share, on or prior to the Expiry Dates, otherwise they will lapse. Holders who wish to exercise their rights should write to the registered office of the Company, on or prior to the Expiry Dates, and remit the subscription monies at 1.5p per share subscribed for either in cash or by bank transfer. Proceeds from the issue of new shares will be used in the ordinary course of business for working capital purposes.




ABOUT CRIMSON TIDE

Crimson Tide is a leading service provider of mobile data solutions and software for business. We provide an end-to-end service that allows organisations to mobilise their staff who work away from the office.

Supplying a pda or smartphone, **Crimson Tide** mobilises crm, field sales & service systems and also supplies bespoke mobile forms. Information is synchronised wirelessly in real-time to hosted or integrated databases. All hardware, software and services are provided on a low monthly subscription and we can manage devices remotely for rapid support and implementation. Our solutions offer almost instant return on investment, providing real time information from the field, whether it is from orders, customer service or field audit and services. Our mobile data solutions save paperwork, time and money. **Crimson Tide's** mobile applications benefit businesses where information and reporting is time critical. We serve organisations from small to medium size businesses right through to blue chip corporate companies and the NHS. Through our customers, **Crimson Tide's** solutions are used in many of the highest profile retail outlets, banks and financial institutions.



Crimson Tide also manages mobile telecommunications connections for a wide range of businesses. This service, along with our more traditional software business in crm and call management, positions us as a trusted partner of our customers. The company is quoted on the AiM market of the London Stock Exchange and is based in the UK and Ireland.



CHAIRMAN'S STATEMENT

I am pleased to report the results for Crimson Tide plc for the 6 months ended June 30 2009.

During these challenging economic times management has been completely focused on ensuring that we are able to deliver our range of exciting mobile data solutions whilst continuing to secure cash generative business.

I am absolutely delighted that we have managed to do this and deliver our first EBITDA profit since our admission to aiM, exactly on schedule. With much of our income being of a recurring, contracted nature, it provides us with a very solid platform to build on where new business achieved will have a direct impact on bottom line growth.

These results have been achieved despite the particular difficulties in the Irish economy and the significant downturn which is affecting all Irish businesses. Management reacted very quickly to the situation in Ireland and put in place measures to minimise our exposure to the downturn and therefore keep losses to a minimum. The UK has outperformed sufficiently to more than cover these losses.

July saw the first migration of subscribers to our new mobile communications architecture. This software platform has been developed with the assistance of Microsoft, where we are a Gold Certified Partner and highly regarded. This new architecture will save, on average, over 30% of the direct costs of subscription business, which will become significant as we add more subscribers.

Our partnership with Yes Telecom, a Vodafone company, has started to generate a wide range of opportunities and two partners with substantial sales teams have been recruited.

We have recently been awarded a contract with a major supplier of smartphones where we are their exclusive sales channel for business to business telemarketing campaigns during 2009. The leads from this campaign are significant and range from handset supply to mobile network connections and to full

mobile data solutions. The leads are with larger organisations and include local councils and the NHS. We would expect some of these leads to materialise in 2009, with more to come in 2010.

Our healthcare applications have matured so that they can now be classified as proprietary products in their own right, as well as being part of our service based offerings. We feel optimistic of future opportunities for these products..

It can be said that the lack of availability of debt has limited how quickly we have been able to deliver subscription based business. I believe, however, that the strength of our management team has ensured we reached our target of EBITDA profitability on schedule and that the decisions we took last year to manage the business conservatively were entirely correct.

I am very pleased with the performance of Crimson Tide over the last six months and I am indebted to our staff for their continuing loyalty, commitment and drive. Whilst economic conditions continue to present challenges, the Directors will continue to manage the business prudently while taking advantage of the many opportunities available to us.

Barrie Whipp
Executive Chairman
11 August 2009

OPERATING AND FINANCIAL REVIEW

The first six months of 2009 have seen some landmark achievements in the progress that we have made since our admission to AIM in August 2006.

For the first time we are reporting a profit at the EBITDA level, accomplished as planned, in our third year since admission, during the severest economic downturn seen for many years. This result can be accredited to a combination of our business model and excellent management of costs. Customers initially contract for typically three years for our mobility solutions, paying a monthly subscription. They thereby avoid significant up front costs normally incurred implementing a mobile solution and benefit from an immediate positive return on their investment and continuing productivity gains as we regularly upgrade the software being utilised. Crimson Tide receives increasing monthly contracted revenues as more subscribers are added, contracts are upgraded and/or terms extended.

Very recently we finished the initial phase of the development of our own communications software and have now implemented this across most of our subscriber base. As a result, margins on our mobility solutions will significantly improve in the second half of 2009 and beyond.

I discussed in the 2008 Annual Report and Accounts the broader spread of services and products that we now offered our customers. This strategy has continued to ensure that we have not been exposed to particular market sectors or individual customers. A handful of customers have gone into administration over recent months but in all cases we have recovered our equipment and avoided material bad debts. As predicted, Ireland has continued to experience severe economic conditions and turnover in that region has continued to decline, down 33% on the same period last year, as we have steered away from low margin sales to subscription business. Despite the overall decline in turnover, the composition of our sales is now of a much higher quality with substantially better margins. This has resulted

in a gross profit improvement of 9% over the first half of 2008, despite a lower turnover, as margins have increased from 54% to 71%.

As I also mentioned in the 2008 Annual Report and Accounts, overheads have been reduced and the full effect of these savings can be seen in the 15% reduction of operating expenses from £0.6m in first half of 2008 to £0.5m in first half of 2009. More savings will follow from recent changes made in Ireland.

The management team remain extremely positive about the prospects for the Group, whilst continuing wherever possible to conserve cash, especially in the current market conditions. A positive EBITDA means that the business is close to cash neutral at the operating level. As the business continues to grow, so too will our working capital requirement. The Board continues to focus on our financing needs and the Chairman refers in his statement in the 2008 annual report and accounts to warrants that may be exercised to provide additional working capital.

We are still of the view that economic conditions will remain tough over the remainder of 2009 and into 2010, but we are confident that our range of solutions and the expertise of our employees will continue to be attractive to businesses seeking to improve their operations, reduce costs and realise an immediate return on their investment. The achievement of a positive EBITDA is a major step along the road to the growing success from which we are confident our shareholders will benefit.

Stephen Goodwin
Chief Executive
11 August 2009

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS TO 30 JUNE 2009

	Unaudited 6 months ended 30 June 2009 £000	Unaudited 6 months ended 30 June 2008 £000	Audited year ended 31 December 2008 £000
Revenue	753	902	1,776
Cost of Sales	(221)	(416)	(817)
Gross Profit	532	486	959
Operating expenses	(519)	(612)	(1,157)
Earnings before interest, tax, depreciation & amortisation	13	(126)	(198)
Depreciation of tangible fixed assets	(6)	(5)	(10)
Depreciation of intangible fixed assets	(22)	(21)	(42)
Loss from operations	(15)	(152)	(250)
Interest income	-	-	4
Interest payable and similar charges	(20)	(7)	(33)
Loss before taxation	(35)	(159)	(279)
Tax on loss on ordinary activities	-	-	-
Loss for the period attributable to equity holders of parent	(35)	(159)	(279)
Loss per share			
Basic and diluted loss per ordinary share	(0.01)p	(0.05)p	(0.09p)

UNAUDITED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2009

	Unaudited As at 30 June 2009 £000	Unaudited As at 30 June 2008 £000	Audited As at 31 December 2008 £000
Assets			
Intangible assets	903	869	868
Equipment, fixtures & fittings	22	23	24
Total non-current assets	925	892	892
Inventories	34	27	39
Trade and other receivables	454	499	597
Cash and cash equivalents	18	71	89
Total current assets	506	597	725
Total Assets	1,431	1,489	1,617
Equity and liabilities			
Share capital	6,070	6,038	6,070
Capital redemption reserve	49	49	49
Share premium	1,058	1,041	1,058
Other Reserves	462	499	430
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained earnings	(1,885)	(1,730)	(1,850)
Total equity	510	653	513
Creditors			
Amounts falling due within one year	870	751	791
Amounts falling after more than one year	51	85	313
Total liabilities	921	836	1,104
Total equity and liabilities	1,431	1,489	1,617

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2009

	Share Capital £000	Capital redemp- tion reserve £000	Share Premium £000	Other Reserves £000	Reverse acquisi- tion reserve £000	Retained Earnings £000	Total £000
Balance as at 31 December 2007	5,790	49	1,006	507	(5,244)	(1,571)	537
Loss for the period	-	-	-	-	-	(159)	(159)
Proceeds from new shares issued during 6 months	248	-	35	-	-	-	283
Translation movement	-	-	-	(8)	-	-	(8)
Balance as at 30 June 2008	6,038	49	1,041	499	(5,244)	(1,730)	653
Balance as at 31 December 2008	6,070	49	1,058	430	(5,244)	(1,850)	513
Loss for the period	-	-	-	-	-	(35)	(35)
Translation movement	-	-	-	32	-	-	32
Balance as at 30 June 2009	6,070	49	1,058	462	(5,244)	(1,885)	510

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS TO 30 JUNE 2009

	Unaudited 6 months ended 30 June 2009 £000	Unaudited 6 months ended 30 June 2008 £000	Audited Year ended 31 December 2008 £000
Loss from operations	(15)	(152)	(250)
Adjustment for:			
Amortisation of intangibles	22	20	42
Depreciation of equipment, fixtures and fittings	6	5	11
Operating cash flows before movement in working capital and provisions	13	(127)	(197)
Decrease / (Increase) in inventories	5	(2)	(14)
Decrease / (Increase) in trade and other receivables	143	(117)	(212)
Decrease in trade and other payables	(171)	(102)	(164)
Cash generated used in operations	(10)	(348)	(587)
Income tax paid	-	-	-
Net cash used in operating activities	(10)	(348)	(587)
Cash flows used in investing activities			
Acquisition of subsidiaries	-	-	-
Purchase of fixed assets	(5)	-	(27)
Interest received	-	-	2
Net cash used in investing activities	(5)	-	(25)
Cash flows from financing activities			
Net proceeds from issue of shares	-	283	272
Interest paid	(20)	(7)	(33)
Net increase/ (decrease) in borrowings	(31)	(32)	209
Net cash from financing activities	(51)	244	448
Net decrease in cash and cash equivalents	(66)	(104)	(164)
Net cash and cash equivalents at beginning of period	11	175	175
Net cash and cash equivalents at end of period	(55)	71	11

NOTES TO THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30TH JUNE 2009

1. Basis of preparation of interim report

The information for the period ended 30 June 2009 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. It has been prepared in accordance with the accounting policies set out in, and is consistent with, the audited financial statements for the twelve months ended 31 December 2008. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

2. Loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted loss per share is based on loss per share attributable to ordinary shareholders and the weighted average number of ordinary shares that would be in issue, assuming conversion of all dilutive potential ordinary shares into ordinary shares.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below:

	Unaudited 6 months ended 30 June 2009	Unaudited 6 months ended 30 June 2008	Audited Year ended 31 December 2008
Basic loss per share			
Reported loss (£000)	(35)	(159)	(279)
Reported loss per share (pence)	(0.01)	(0.05)	(0.09)
Weighted average number of ordinary shares:	No '000	No '000	No '000
Opening balance	318,991	290,940	290,940
Effect of shares issued during the period	-	4,682	18,882
Weighted average number of ordinary shares	318,991	295,622	309,822

Due to the Group's loss for the period, the diluted loss per share is the same as the basic loss per share.



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